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Anguilla

Working paper prepared by the Secretariat

Contents

		Page
	The Territory at a glance	3
I.	Constitutional, legal and political issues	4
II.	Budget	5
III.	Economic conditions	5
	A. General	5
	B. Tourism	6
	C. Financial services	6
	D. Agriculture and fisheries	7
	E. Infrastructure	7
	F. Transportation, communications and utilities	8
IV.	Social conditions	8
	A. General	8
	B. Education	8

Note: The information contained in the present working paper has been derived from public sources, including those of the territorial Government, and from information transmitted to the Secretary-General by the administering Power under Article 73 *e* of the Charter of the United Nations. Information was transmitted by the administering Power on 11 January 2012. Further details are contained in previous working papers, available from www.un.org/en/decolonization/workingpapers.shtml.

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C. Public health 8
D. Crime and public safety 9
E. Human rights 9
V. Environment 10
VI. Relations with international organizations and partners 10
VII. Future status of the Territory 11
A. Position of the territorial Government 11
B. Position of the administering Power 11
C. Action taken by the General Assembly 11

The Territory at a glance

Territory: Anguilla is a Non-Self-Governing Territory under the Charter administered by the United Kingdom of Great Britain and Northern Ireland.

Representative of the administering Power: Governor Alistair Harrison (2009-2013).

Geography: The Territory lies 240 km east of Puerto Rico, 113 km north-west of Saint Kitts and Nevis and 8 km north of Sint Maarten/Saint Martin. It has a relatively flat topography, with a few rolling hills rising to 213 ft.

Land area: 96 km^2. The main island has a maximum length of 26 km and a maximum width of 5 km.

Exclusive economic zone: 92,178 km^2.[a]

Population: 14,200 (2010 estimate).

Languages: 99 per cent of the population speaks English. Spanish and Chinese are also spoken.

Capital: The Valley.

Head of the territorial Government: Chief Minister Hubert B. Hughes.

Elections: The most recent elections were held in February 2010; the next elections are due in March 2015.

Main political parties: Anguilla United Front; Anguilla United Movement; Anguilla National Strategic Alliance; Anguilla Democratic Party.

Legislature: House of Assembly.

Gross domestic product per capita: US$ 8,800 (2009 estimate).

Economy: Tourism, financial services and remittances.

Main trading partners: United States of America and member countries of the Caribbean Community.

Unemployment rate: 8 per cent (2010 estimate).

Monetary unit: East Caribbean dollar, pegged to the United States dollar at about EC$ 2.70.

Brief history: Originally inhabited by the Arawaks, the Territory was colonized by British and Irish settlers in 1650 and was periodically associated with Saint Kitts and Nevis, as well as with various regional structures. In 1980, the Territory became a dependency of the United Kingdom.

[a] Data from the Sea around Us project, a collaboration between the University of British Columbia and the Pew Environment Group (www.seaaroundus.org).

I. Constitutional, legal and political issues

1. According to the Anguilla Constitution Order, which came into force in 1982 and was amended in 1990, the Government of Anguilla consists of a Governor, an Executive Council and a House of Assembly. The Governor, appointed by the British Crown, is responsible for defence, external affairs, internal security (including the police and prison services), international financial services and their regulation, public service appointments and the application to public servants of their terms and conditions of service. On all other matters, the Governor is required to consult with and act on the advice of the Executive Council. At the same time, the Order stipulates that the British Crown reserves the power, with the advice of the Privy Council, to make laws for the peace, order and good government of Anguilla.

2. The Territory's Executive Council consists of the Chief Minister, not more than three other ministers and two ex officio members (the Attorney General and the Deputy Governor). The Governor acts as Chair of the Council. The House of Assembly is elected for five-year terms and comprises a Speaker, not less than seven members elected from single-member constituencies, the same two ex officio members as in the Executive Council and two members appointed by the Governor, one upon the advice of the Chief Minister and the other after consultation with the Chief Minister and the Leader of the Opposition, as appropriate.

3. General elections held in Anguilla on 15 February 2010 resulted in a change of government from the Anguilla United Front, an alliance of the Anguilla Democratic Party and the Anguilla National Alliance, to the Anguilla United Movement under Hubert B. Hughes.

4. The law of Anguilla is the common law of the United Kingdom of Great Britain and Northern Ireland, together with all legislation inherited from the former associated State of Saint Kitts-Nevis-Anguilla up to August 1971 and the local legislation enacted since. The law is administered by the Eastern Caribbean Supreme Court, an itinerant Court based in Saint Lucia, which comprises a Court of Appeal and a High Court of Justice, courts of summary jurisdiction and a magistrates court. The British Overseas Territories Act 2002 provides for the granting of British citizenship to British Overseas Territory citizens.

5. Discussions with the United Kingdom on a new draft constitution were expected to begin in 2010, amid tension between the Governor and the new territorial Government over budgetary and economic matters. The tension continued in 2011 and included acts of "civil disobedience" spearheaded by the Chief Minister. Meanwhile, according to the United Kingdom, in 2011 Anguilla again set up a team to draft a new constitution. The team is headed by H. Clifton Niles, a retired Methodist minister.

6. According to media reports, calls for independence made in 2011, including by the Chief Minister, have not gained much traction. Nevertheless, when the Anguilla National Youth Council conducted a live broadcast of an Independence for Anguilla Forum in midyear, panellists reportedly agreed that political independence should be pursued for Anguilla as the next step in its constitutional advancement.

II. Budget

7. The 2011 budget was taken to the House of Assembly in December 2010 for approval, and approval was granted in April 2011. According to the United Kingdom, recurrent expenditure amounted to EC$ 188 million, and capital expenditure was EC$ 23 million. Reserves at the end of 2010 stood at EC$ 2 million. Recurrent revenue was estimated to be EC$ 177 million.

8. In April 2011, the Governor announced his approval of legislation introducing the interim stabilization levy, as well as amendments to the customs surcharge and the petroleum levy passed earlier by the House of Assembly. The Governor further indicated that the three measures constituted the new measures necessary to implement the budget settlement for 2011. Protracted negotiations on the 2012 budget took place between the administering Power and the Territory and resulted in the use of a provisional budget based on 2011 costing.

9. In Anguilla there are no income, estate, capital gains, corporation, value added or goods and services taxes. The territorial Government continues to study this matter, in particular with regard to the impact of low taxation on the Territory's economy and public sector reserves.

10. From 19 to 29 July 2011, an International Monetary Fund (IMF) staff team visited Anguilla to engage in the first formal bilateral dialogue between IMF and the Territory, at the invitation of the Chief Minister and the Finance Minister and building on the annual discussions on common policies of the Eastern Caribbean Currency Union member countries. The IMF team found that a new fiscal framework could achieve a better balance between current and capital spending that would be in line with available resources and build buffers in good times. Comprehensive tax reform aimed at improving the efficiency and equity of the tax system and simplifying the tariff structure was being planned. Reversal of some of the increases in the Government wage bill, which had doubled during the boom years, was seen as unavoidable.

III. Economic conditions

A. General

11. According to the United Kingdom, the Territory's gross domestic product (GDP) in 2010 amounted to approximately EC$ 576 million, representing a decline of some 5.6 per cent over the previous year. The largest contributor to GDP in 2010 was the hotel and restaurant industry sector (approximately 24 per cent of GDP). In 2008 the construction sector was the largest contributor to GDP, but the global financial crisis and the attendant recession saw the construction industry fall by 24 per cent in 2010. By the end of 2010, the public sector was the biggest employer on the island, with the private sector underperforming. According to the findings of the IMF mission, the growth outlook was cautious, given low capital spending and the recent closure of a boutique hotel and a call centre.

12. The main industries in Anguilla are tourism, offshore incorporation and management, and banking. Tourism is the main source of economic growth.

Anguilla's economy is highly vulnerable to downturns in the global economy, high international oil prices and unfavourable weather conditions.

B. Tourism

13. According to the United Kingdom, a tourism master plan study completed in 2011 recommended a medium growth rate scenario, in which the tourism sector was projected to increase by about 7.5 per cent yearly over the next decade. The recommended level of growth was endorsed by the Executive Council, which also approved the implementation of various strategies and programmes to achieve this objective. The Ministry of Finance, Economic Development, Investment, Commerce and Tourism is responsible for implementing the tourism master plan, while the Anguilla Tourist Board and the Anguilla Hotel and Tourism Association market and promote the Territory's tourism product.

14. According to the 2011 IMF mission, Anguilla's small size magnified the boom-bust cycle associated with the global crisis, as it recently benefited from two major tourism projects that later ran into difficulties. Both projects appeared to be getting back on track, and the high-end tourism sector remained resilient.

C. Financial services

15. Anguilla has a small international finance sector, specializing in insurance, mutual funds, and trust and company registration, for whose regulation the United Kingdom is directly responsible. According to the report issued in December 2011 by the Education International Research Institute on behalf of the Council of Global Unions entitled "Global corporate taxation and resources for quality public services", foreign corporations pay licence fees to operate in Anguilla.

16. Anguilla's Financial Services Commission, established in 2004, is an independent regulatory body that focuses on licensing, supervision of licences, general monitoring of financial services, reviewing existing legislation on financial services and making recommendations for new legislation, as well as maintaining contact with foreign and international regulatory authorities.

17. The 2011 IMF mission welcomed the Commission's efforts to enhance non-bank supervision, particularly in the light of the failure of two regional insurance companies, and to intensify coordination with the Eastern Caribbean Central Bank and other regional regulators. The offshore financial sector offered some potential to diversify the economy, but the balance between the potential economic benefits and the regulatory costs and reputational risks needed to be weighed carefully.

18. In 2011, the Organization for Economic Cooperation and Development Global Forum on Transparency and Exchange of Information for Tax Purposes published a peer review report on Anguilla. The Global Forum review indicated that Anguilla had a strong anti-money-laundering regime and had clear requirements for ordinary companies, international business companies, partnerships and foundations to maintain ownership and identity information. The assessment team determined that, of 10 essential elements tested in accordance with the Global Forum's terms of

reference for peer reviews, only 1, relating to accounting records, was found not to be in place.

19. According to the territorial Government, Anguilla remained committed to meeting international standards on transparency and the exchange of information and recognized that its commitment was essential to its success as a financial services centre.

D. Agriculture and fisheries

20. Agricultural activity in Anguilla is limited, owing to a combination of poor soil and irregular rainfall. Nevertheless, agriculture continues to play a part in the livelihood of the local population.

21. The territorial Government estimated the total fish catch in 2010 to be about 461 tons, valued at approximately EC$ 15.1 million, slightly less than in 2009, when the estimated catch was 493 tons, valued at EC$ 17 million.

22. In 2011, the Ministry of Home Affairs, Natural Resources, Lands and Physical Planning, through the Department of Fisheries and Marine Resources, renewed its efforts to facilitate the formation of a national fishers association as a first step in the establishment of a fisher cooperative. Fishing is regarded as being a significant contributor to the livelihoods of many Anguillans and as having the potential to contribute much more to the development of the Territory.

23. According to media reports, Anguilla's near shore marine habitats and fish stocks are facing threats from both human-based and natural stressors. This has, in turn, led to a decline in marine ecosystem health and integrity. In 2011, the Department of Fisheries and Marine Resources, with support from the Department for International Development of the United Kingdom, sought to improve its fisheries enforcement and management capabilities through theoretical and practical skills and knowledge-based development. To that end, training workshops in fisheries management and law enforcement were conducted.

E. Infrastructure

24. According to the United Kingdom, infrastructure development has been minimal as a result of the economic downturn during the past few years, and 2010 was a particularly difficult year for development in the Territory. According to the territorial Government, in 2010 approximately EC$ 0.8 million was spent on the maintenance of roads throughout the island. Anguilla has approximately 175 km of public roads, 80 per cent of which are paved.

25. The Anguilla Air and Sea Ports Authority, a semi-autonomous self-sustaining entity, manages the operations of the airports and seaports on a commercial basis. Wallblake Airport was renamed Clayton J. Lloyd International Airport on 4 July 2010 after the island's first pilot and the first person on Anguilla to own an aeroplane. Situated on the outskirts of The Valley, it is the only airport on the island and serves both commercial and private aircraft, including a fixed-base operator facility. There are flights to and from the international airports of Antigua, Sint Maarten, Puerto Rico and the United States Virgin Islands. The 2011 IMF mission noted the need to improve access to the island by air and by sea.

F. Transportation, communications and utilities

26. Taxis are the only form of public transport in Anguilla, but car rental is widely available. Anguilla has a modern internal telephone system with multiple external gateways, including several microwave relays to Sint Maarten/Saint Martin, and a fibre landing point on Tortola for international calls, with competition in mobile, landline and Internet services.

27. The territorial Government's energy policy, inter alia, aims to reduce dependence on fossil fuels for power generation and transportation, to use locally available renewable resources, such as wind and solar power, to the greatest extent possible and to support and advance a local skill base for the power generation sector. In that context, according to the United Kingdom, the Anguilla Electricity Company continues to work in partnership with the territorial Government on renewable energy initiatives.

IV. Social conditions

A. General

28. As previously reported, the Anguilla Country Poverty Assessment project published in 2010 found that no one in the population was reported to be extremely poor or indigent. Anguilla has a social security scheme, which is overseen by the Anguilla Social Security Board.

29. With respect to children and families in Anguilla, the United Nations Children's Fund provided general background information in its 2011 report on the Eastern Caribbean multi-country programme.

B. Education

30. According to the United Kingdom, the Education Department has literacy development as its top priority for the period from 2010 to 2015. The adult literacy rate is currently unknown. Hence, there is a strong desire to conduct a literacy survey. Education in Anguilla is free and compulsory between the ages of 5 and 17 years (for further details, see A/AC.109/2011/2).

31. The Professional Development Unit of the Education Department and the Open Campus of the University of the West Indies provide tertiary education in Anguilla, offering primary and secondary teacher training and basic skills training programmes. The Open Campus offers a range of distance education programmes to students in the Territory, based on the system used by the University of the West Indies. The Anguilla Community College was established in March 2009 in response to the Territory's increasing shortage of skilled personnel in the critically important sectors of hospitality and construction.

C. Public health

32. The Health Authority of Anguilla is responsible for all primary, secondary and personal health-care services. The Ministry of Social Development regulates and

monitors the public and private health sectors, including the Health Authority, and carries out policymaking and regulatory functions in relation to the health service. The territorial Government's health priorities, set out in the strategic plan for health covering the period from 2009 to 2014, include the strengthening of primary and secondary health-care services and of the Ministry's regulatory function and the development of health information systems, as well as a strong focus on chronic non-communicable diseases and mental health. According to the United Kingdom, the 2011 budget included a provision of EC$ 16.8 million for the Health Authority.

33. There are three health centres in the Territory, one for each district, as well as one hospital, the Princess Alexandra Hospital. Cases requiring major surgery are usually evacuated to a neighbouring island.

D. Crime and public safety

34. According to the United Kingdom, the crime rate in Anguilla continued to be low when compared with regional and international figures. Crimes against property continued to be a priority issue for the Royal Anguilla Police Force, with burglary, theft and armed robbery being the main offences.

35. According to the United Kingdom, the Financial Intelligence Unit functions as Anguilla's money-laundering reporting authority, and the Financial Crime Investigation Unit carries out a wide variety of financial crime investigations, including on all money-laundering and civil recovery cases.

36. With regard to security matters, the administering Power decided in 2011 to deploy a specially equipped Royal Fleet Auxiliary to support disaster relief and counter-narcotics efforts in the British Overseas Territories in the Caribbean, so as to implement decisions emerging from its recent strategic defence and security review.

E. Human rights

37. Anguilla's Constitution provides that every person in Anguilla is entitled to life, liberty, security of person, the enjoyment of property, protection of the law, freedom of conscience, expression and peaceful assembly and association, and respect for his or her private and family life. Where there are limits to those rights, they are designed to ensure that an individual's enjoyment of them does not prejudice the rights and freedoms of others or the public interest.

38. The Convention on the Rights of the Child, the Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment and the International Convention on the Elimination of All Forms of Racial Discrimination have been extended to Anguilla. The European Convention on Human Rights also applies to Anguilla, and individuals have the right to bring cases to the European Court of Human Rights where no other remedy exists in the Territory.

V. Environment

39. The Department of the Environment, the Agriculture Department, the Department of Fisheries and Marine Resources and the Anguilla National Trust are the principal entities dealing with environmental issues. In 2010, the territorial Government agreed to work with Government departments of the United Kingdom to manage the natural environment and the impact of climate change on the Territory, a process which is ongoing.

40. In 2011, according to a press release from the territorial Government, the Caribbean Catastrophic Risk Insurance Facility funded a number of risk-reduction, recovery and mitigation programmes, including the purchase of backup generators; the construction of a fire station; improvements to the national disaster management infrastructure with the construction of a storage unit and temporary operational space for the emergency operations centre; the purchase of equipment for and commissioning of a number of weather stations; and the purchase of a trailer to transport livestock from flood-prone areas during the passage of severe weather systems.

41. Furthermore, according to media reports, Anguilla's hazard emergency systems are being upgraded as part of the Regional Risk-Reduction Initiative of the United Nations Development Programme to enable Anguilla to use the Common Alerting Protocol, which is the international standard for alerting systems.

42. The Department for Environment, Food and Rural Affairs of the United Kingdom in January 2012 issued a paper entitled "The environment in the United Kingdom's Overseas Territories: UK Government and civil society support", on the advice and support available to the Territories in its areas of competence, and highlighted the availability of departmental funds for that purpose.

VI. Relations with international organizations and partners

43. Anguilla is a member of the Eastern Caribbean Central Bank and the Caribbean Development Bank. Since 1998, the Territory has been an associate member of the Economic Commission for Latin America and the Caribbean. Anguilla also participates in the work of the Organization of Eastern Caribbean States and the Caribbean Community as an associate member. It is a member of the Caribbean Financial Action Task Force, which is dedicated to combating money-laundering in the Caribbean basin.

44. As a Non-Self-Governing Territory of the United Kingdom, Anguilla is associated with the European Union but is not a part of it. According to the United Kingdom, the Territory has yet to establish a relationship with the European Union in the context of the European Union Economic Partnership Agreement.

45. The territorial Government cooperates directly with Caribbean Governments and participates in regional projects of various international organizations and agencies, including the Pan American Health Organization.

VII. Future status of the Territory

A. Position of the territorial Government

46. Developments in constitutional reform efforts involving the future status of Anguilla are referred to in section I above.

B. Position of the administering Power

47. On 3 October 2011, the representative of the United Kingdom made a statement before the Special Political and Decolonization Committee (Fourth Committee) during the sixty-sixth session of the General Assembly. According to the record of the meeting (A/C.4/66/SR.2), the representative said that the relationship of the United Kingdom with its Overseas Territories was a modern one based on partnership, shared values and the right of each Territory to determine whether it wished to remain linked to the United Kingdom or not. Where independence was an option and was the clear and constitutionally expressed wish of the people of a Territory, his Government would help that Territory to achieve it. Where a Territory wished to retain its link to the United Kingdom, his Government would remain committed to its future development and continued security.

48. The speaker went on to say that the Secretary of State for Foreign and Commonwealth Affairs had recently announced the Government's new strategy with respect to the Overseas Territories. The time was not right to embark on further constitutional change. Rather, his Government was focusing on three practical policy goals: to strengthen interaction between the United Kingdom and its Territories; to work with the Territories in strengthening good governance, public financial management and economic planning where necessary; and to improve the support available to the Territories. The implementation of the new strategy would take different forms in each Territory, and a public consultation exercise had been launched in order to encourage the Territories and other stakeholders to make their views on priorities known. The outcome of the exercise would inform the white paper on the Territories that the Government intended to publish in 2012. The Government was committed to allowing each Territory to run its own affairs as far as possible, which entailed responsibilities and good governance on the part of the Territory. The speaker further stressed that where high standards of probity and governance were not maintained, the United Kingdom did not hesitate to intervene.

C. Action taken by the General Assembly

49. On 9 December 2011, the General Assembly adopted resolution 66/89 A and B on the basis of the report of the Special Committee (A/66/23) and the subsequent recommendation of the Fourth Committee. Section II of resolution 66/89 B concerns Anguilla, the operative part of which reads:

The General Assembly . . .

1. *Once again welcomes* the presentation of a new constitution for public consultation in 2009 with the aim of further discussing the new

constitution with the administering Power in 2010, and urges that constitutional discussions be concluded as soon as possible;

2. *Requests* the administering Power to assist the Territory in its current efforts with regard to advancing the internal constitutional review exercise, if requested;

3. *Stresses* the importance of the previously expressed desire of the territorial Government for a visiting mission by the Special Committee, calls upon the administering Power to facilitate such a mission, if the territorial Government so desires, and requests the Chair of the Special Committee to take all the necessary steps to that end;

4. *Requests* the administering Power to assist the Territory by facilitating its work concerning public consultative outreach efforts consistent with Article 73 *b* of the Charter of the United Nations, and, in this regard, calls upon the relevant United Nations organizations to provide assistance to the Territory, if requested;

5. *Calls upon* the administering Power to assist the territorial Government in strengthening its commitments in the economic domain, including budgetary matters, with regional support as needed and appropriate;

6. *Welcomes* the active participation of the Territory in the work of the Economic Commission for Latin America and the Caribbean.